

PLANNING FOR YEAR-END

Departments must create a plan that identifies specific year-end activities required to meet the year-end financial report due dates. If departments do not meet the established dates, then the State Controller cannot complete the *Annual Report of the State of California* on time.

Exhibit I-3 is an example of a Year-End Work Plan. It contains activities, due dates, responsibilities, and other information useful for timely completion of financial statements. The example is only a guideline. Departments should customize a work plan based on their activities. The department's year-end activity coordinator should complete this work plan prior to year-end and discuss it with key supervisors.

Once the plan is complete, the department's various operating units must be notified of specific document cutoff dates for vendor invoices, petty cash vouchers, revenue, etc. Exhibit I-4 provides examples of correspondence that may be sent to operating units.

Keep Reconciliations Current

Keeping all reconciliations current throughout the fiscal year must be a priority task if the YEC process is to be completed on time. In addition, departments must correct any reconciling items found while performing these reconciliations. Refer to Exhibit I-2 for a listing of the types of reconciliations, how often they must be completed, and the related SAM Sections.

EXHIBIT I-2
RECONCILIATIONS

TYPE OF RECONCILIATION	FREQUENCY	SAM SECTION	COMMENTS
SCO Appropriation and Fund accounts*	Monthly	7901, 7921	SCO Agency Reconciliation Report and SCO Fund Reconciliation Report or DB2 SCO/CALSTARS Monthly Reconciliation Report
General Ledger Accounts*: General cash (GL 1110) Remittance in transit (GL 1115) Cash (GL 1140, GL 1210) Loan receivables (GL 2110, 2140) Claims in process (GL 3021) Advance collections (GL 3400) Liabilities for deposit (3500) Payroll clearing account (GL 6201) Pending PFAs (GL 6297)	Monthly	7901, 7920-7921	Non-shared funds Review B04 Report
Office Revolving Fund*	Monthly	7920, 7922, 8193	Report No. 10. Review outstanding advances.
Bank (including accounts outside the State Treasury*)	Monthly	7920, 7923, 8060	Per Centralized Treasury Trust System Account Report (GL 1110, 1120, & 1130), Report No. 11
Property Ledger to Capital Assets*	Quarterly	7924	G05 Report, Report No. 18 and 19
Document File Reconciliation and Reviews*	Monthly	7920	Including encumbrances, dishonored checks, accounts receivables and due froms, payroll accounts receivables, outstanding revolving fund advances, uncleared collections, other liabilities (e.g., claims filed, sales tax, etc.), documents associated with prior year accruals (e.g., adjusting entries A1-A13, PFA reclass entries, loans, transfers)
Other Reconciliations and Reviews: CALSTARS Procedures Manuals, COMS CALSTARS tables CALSTARS reports GL subsidiary balances to document file* Cash remittances Cash transfers and drawdowns Year-end work plan Internal control review	Quarterly	7920	Review tables with Budget and HR offices B06, G02, D16, D08, Q12, Q16, etc. G02 or S01 Reports to D09 or D10 Reports Refer to Exhibit I-3 Ensure adequate staffing and training

*Including FM 13

EXHIBIT I-3
EXAMPLE OF YEAR-END WORK PLAN

Activity	Due Date	Responsibility	Date Completed	Comments
A. BEFORE JUNE 30:				
Review COM for year-end schedule	3/10	A. O. (Accounting Officer)		
Perform all reconciliations	Ongoing	GL Unit		
Distribute year-end deadline letters (Exhibit I-4)	3/16	A. O.		
Review Appropriation Symbol (AS) Table Reversion Indicators	3/18	Tables Unit		
Review all reverting documents	3/29	Various units		
Review year end CALSTARS reporting instructions	3/29	A. O.		
Schedule/conduct regular year end meetings	4/1	A. O.		
Set AS reversion indicators for CFY022 and CFY023 processes	4/4	Tables Unit		
Register for CALSTARS year end training	4/5	A. O.		
Review CFY022 process 1 st reports	4/6	A.O.		
Review OC, AS, IC, PCA, LC, CA, and EM Tables before generating and creating FFY 2011 tables.	4/8	Tables Unit		
Review and adjust other outstanding documents: Payables (Due To) Receivables (Due From) Encumbrances Claims Filed ORF (Advances)	4/1 6/1 6/1 6/30 6/30	A/P Unit A/R Unit Enc. Unit A/P Unit ORF Unit		
Review CFY022 process 2 nd reports	4/18	A.O.		
Keep daily workload current	4/20	Various units		
Review March CALSTARS reports (G01, G02, B04, Q26, etc.)	4/22	A. O.		
Schedule/conduct regular year end meetings	5/2	A. O.		
Review CFY023 process 1 st reports.	5/19	A/R Unit		
Keep daily workload current	5/20	Various units		
Review April CALSTARS reports (G01, G02, B04, Q26, etc.)	5/20	A. O.		
Schedule/conduct regular year end meetings	6/1	A. O.		
Submit documents for reverting appropriations to SCO (PFA, claim schedules, transaction requests)	6/8	A. O.		
Review CFY023 process 2 nd reports	6/10	A/R Unit		
Schedule/conduct regular year end meetings	6/15	A. O.		
Keep daily workload current	6/18	A. O.		
Review May CALSTARS reports (G01, G02, B04, Q26, etc.)	6/22	A. O.		
Schedule/conduct regular year end meetings	6/22 and 6/30	A. O.		

EXHIBIT I-3 (Continued)
EXAMPLE OF YEAR-END WORK PLAN

Activity	Due Date	Responsibility	Date Completed	Comments
A. BEFORE JUNE 30: (Continued)				
Review and reconcile Subsidiaries to Document File	6/30	A/R Unit		
Review other areas:				
Plans of Financial Adjustment	6/1	A. O.		Including recon
Capital Assets	6/1	A. O.		Including recon
SWCAP and Pro Rata charges	6/1	A. O.		
Abnormal Balances	6/1	A. O.		D11 Report
GL 6201 for Payroll Clearing	6/10	A. O.		G01 (must be 0)
Uncleared Collections – GL 3730	6/10	Receipts Sup.		Including recon
Advance Collections – GL 3400	6/10	GL Unit		Including recon
Prepayments – GL 1730	6/10	GL Unit		
Claims in Process – GL 3021	6/30	GL Unit		G01 Report
Establish New Year Tables	Start 5/26	Tables Unit		
(Generate and Add function):				
Organization Control (OC) Table				
Appropriation Symbol (AS) Table				
Budget Sequence (BS) Table				
Index Code (IC) Table				
PCA (PCA) Table				
Cost Allocation (CA) Table				
Labor Distribution Tables (LC/EM)				
Review all new year tables for accuracy	5/31	Tables Unit		
Review new year tables with Budget Office (IC, AS, PCA, CA)	6/1	Tables Unit		
Review new year EM Table with Personnel and Budget Office	6/1	Tables Unit		
Review and establish Automated Payables Table (DGS)	6/1	Tables Unit		
Review tables (Vendor Edit and Project Control for possible deletions)	6/1	Tables Unit		
Run Labor for FM 11	6/7	A. O.		
Run CA/FS and order reports for FM 11	6/9	A. O.		
Review Vendor Edit Table AAAAAAAAAA suffix 10 and 90	6/9	Tables Unit		
Close FM 11 and prepare FM 11 reconciliations	6/14	A. O.		
Ensure all General Cash is remitted (FM 01-FM11)	6/14	A. O.		
Prepare final reverting year PFA (Due date to SCO) and ensure all PFAs have been submitted (FM 01-FM11)	6/14	A. O.		
Cut-off for preparing claim schedules	6/24	A/P Unit		
Cut-off for encumbering documents	6/30	A/P Unit		
Cut-off for preparing A/R invoices	6/30	A/R Unit		
Deposit all cash receipts by 10:00 A.M.	6/30	Cashiers		
B. AFTER JUNE 30:				
Change reversion date for Clearing Account A/S and other reverting appropriations to 9/30, if needed, to avoid EA7 error message.	7/1	Tables Unit		
F.2 Screen, DB2/DB3 Reports available	7/1	A. O.		

EXHIBIT I-3 (Continued)
EXAMPLE OF YEAR-END WORK PLAN

Activity	Due Date	Responsibility	Date Completed	Comments
B. AFTER JUNE 30: (Continued)				
Run Labor Distribution (FM 12)	7/5	A. O.		
Review SCO year end reporting instructions	7/5	A. O.		
Schedule/conduct regular year end meetings	7/5	A. O.		
Run CA/FS and reports (FM 12)	7/7	A. O.		
Close and prepare FM 12 reconciliations	7/11	A. O.		
Year-End Adjusting entries (FM 13): A1: Record Undeposited Receipts	7/5	A. O.		
A2: Adjust Revolving Fund Cash Account	7/20	ORF Unit		
Review Validity and enter adjustments to FM13 for encumbrances/liabilities	7/11	GL Unit		
A3: Reimbursement and Abatement Accruals	7/13	GL Unit		
A5: Accrue Interest Earnings on Investments	7/13	A.O.		
A6: Record Interest Due From Other Funds	7/13	A.O.		
A7: Abatements for Surveyed Equipment	7/13	A. O.		
A8: Accrual of Expenditures	7/13	A/P Unit		
A9: Record Revenue Accruals	7/13	GL Unit		
A10: Adjustment for Dishonored Checks	7/13	A. O.		
A12: Establish Reserve for Deferred A/R for Abatements and Reimbursements	7/13	GL Unit		
Run CA/FS (FM 13)	7/15	A. O.		
Request FM 13 Reports	7/18	A. O.		
Prepare Preliminary FM 13 Reconciliations	7/19	GL Unit		
Identify FM 13 overexpenditures, and enter adjustments	7/21	A.O. and Budget Office		
Record year-end PFA (request B04 & Q22)	7/22	A. O.		
Reclassify encumbrances (non-governmental cost funds only)	7/22	A. O.		
Reclassify Allocated Encumbrances in Administration	7/22	A. O.		
Record subsidiaries for GL 1600	7/22	A. O.		
Review Fund Balance GL on G02 Report (Report 8) and reclassify if necessary	7/22	A. O.		
Analyze and adjust G01 accounts with abnormal or inappropriate balances	7/22	A. O.		
Request final FM 13 reports	7/23	A. O.		
Prepare final FM 13 Reconciliations	7/25	A. O.		
Review and reconcile Subsidiaries to Document File	7/25	A.O.		

EXHIBIT I-3 (Continued)
EXAMPLE OF YEAR-END WORK PLAN

Activity	Due Date	Responsibility	Date Completed	Comments
B. AFTER JUNE 30: (Continued)				
^{A/} Request Preliminary DB3 and G02 Reports	7/25	GL Unit		
^{A/} Review Preliminary DB3 Report	7/26	GL Unit		
^{A/} Enter Auto Year-End Transactions	7/26	GL Unit		
^{A/} Request Final DB3 Report	7/28	GL Unit		
^{M/} Prepare and balance Report 2 and Report 15	7/28	GL Unit		
Request Reports for year-end statements	7/28	GL Unit		
Complete Report 4, 14, 22	7/28	GL Unit		
^{A/} Request Transmittal of Report Data	7/29-8/19	GL Unit		
^{M/} Prepare Reports 1,2,3, 5 and 15 for Governmental Cost Funds	7/29	GL Unit		
Prepare Certification Letter(s) to SCO	7/29	GL Unit		
Sales Tax due to BOE	7/29	GL Unit		
Submit Year-End statements: General	8/1	GL Unit		
Other Funds	8/22	GL Unit		
Review new year EM, CA, PCA Tables before running labor for FM 01	8/3	Table Unit		
Report A/R Dishonored Checks to STO	8/3	A. O.		
Set Labor Run Indicator for FM 01	8/4	Tables Unit		
Request all Prior Year reports	8/8	A. O.		
Submit copy of CSTARN10 to Budget Staff for Past-Year Schedule 10 Reporting	8/8	A. O.		
Submit B06 and Q26 to the Budget Office	8/10	A. O.		
Review Reversion Indicators	8/10	Tables Unit		
Begin Automated Closing Process (YEC) and review G01 reports	8/11	Tables Unit		
Conclude Automated Closing Process (YEO) and review G01 reports	8/17	Tables Unit		
Reversing Entries:				
Review Auto Reversal Entries	8/19	A. O.		
Reverse entries not included in auto reversal batches:	8/19	A. O.		
Standard Adjusting Entries	-	-	-	-
PFA Reclass	-	-	-	-
Encumbrance Reclass	-	-	-	-
GL 1600 Subsidiaries	-	-	-	-
Move ORF Advance per SCO JE	8/19	A. O.		
Reset OC Table indicators and run July (FM01) CA/FS	8/22	A. O.		
Request FM 01 month-end reports	8/23	GL Unit		
Prepare FM 01 reconciliations	8/24	GL Unit		

^{A/} **Automated Statements**-These activities only apply to funds included in the auto year-end report process.

^{M/} **Manual Statements**-These activities only apply to manual statement preparation and first-year department participants in the auto year-end process.

EXHIBIT I-4
CORRESPONDENCE EXAMPLES

State of California

M e m o r a n d u m

Date : March 16, 2011

To : **Division Chiefs
Boards and Commissions**

From : Example Department

Subject : 2010-11 Year-End Closing

To prepare our year-end financial reports in the allowable time, the following dates and instructions must be observed:

<u>Deadline Date</u>	<u>Action Required</u>
April 15	Submit all purchase estimates funded in the current year. Requests received after April 15 will be charged to the new fiscal year.
June 10	Submit all outstanding travel expense claims for May and any prior months.
June 17	Submit all Printing Estimates, Contracts or Sub-Purchase Orders. Any of these documents prepared after June 18 should be numbered with a new series and charged to the new fiscal year with delivery date after July 1.
June 17	Submit all invoices on hand. Submit a list of all outstanding expense items that will be charged to the current fiscal year, but are not yet billed.
June 22	Submit all billing data so we can prepare invoices by June 24. Submit a list of all reimbursement and revenue receivables for the current fiscal year that will not be billed by June 24.
June 24	All current year printing requisitions should be at OSP.
July 7	Submit all travel expense claims. If a trip begins in June and ends in July, prepare two separate travel expense claims: one claim for June travel up to 2400 hours June 30, 2011; and the second for July travel beginning 0001 hours July 1, 2011 to the completion of the trip.

EXHIBIT I-4 (Continued)
CORRESPONDENCE EXAMPLES

State of California

M e m o r a n d u m

Date : March 16, 2011

To : **Budget Officer**

From : Example Department

Subject : 2010-11 Year-End Closing and New 2011-12 Budget Allotments

Please complete the following activities by the completion dates listed below:

<u>COMPLETION DATE</u>	<u>ACTIVITY</u>
6/6	CLOSING CURRENT YEAR BUDGET, 2010-11 FY Review "607" Blanket. Take necessary action to cover overdrafts and estimates in Controller's records and Budget reports.
6/6	All Budget Revisions must be approved and in the Controller's Office for posting to the Controller's Accounts or Pending Budget Revisions must be cancelled and reversed. SET UP 2011-12 NEW YEAR BUDGET ALLOTMENTS
5/5	Submit detailed program and object allotments to Accounting. These allotments should be reconciled to the Governor's Budget. Include any carryovers or other authorizations that were omitted from the Governor's Budget.
7/1, or upon Governor's signature	Submit the dollar impact of any Legislative changes or Governor's vetoes to Accounting. These items should be reconciled to Budget Act.
7/8	Submit new "607" Blankets to the Controller for Temporary Help and Overtime, as required.

EXHIBIT I-4 (Continued)
CORRESPONDENCE EXAMPLES

State of California

M e m o r a n d u m

Date : March 16, 2011

To : **Division Chiefs**
Audit Office
Legal Office
Personnel Office

From : Example Department

Subject : Contingent Liabilities

The Accounting Office is currently working on the FY 2010-11 YEC process. One of the required year-end financial reports is the "Report of Contingent Liabilities." Contingent liabilities are possible future claims against the state. Examples of contingent liabilities are pending litigation, audit exceptions, and worker's compensation claims. Contingent liabilities must be reported by each department, and should identify the type of liability, the case number or identification number, the potential dollar amount, and a possible payment date.

Attached is last year's Statement of Contingent Liabilities. Please review, note any changes, and add any new items.

Please advise U. R. Dunne, Accounting Administrator, in writing no later than July 15, 2011, of any contingent liabilities against the department as of June 30, 2011. If you have any questions, please contact U. R. Dunne at 445-5555.

Attachment (last year's Report 22)

RECLASSIFY/LIQUIDATE REVERTING APPROPRIATION DOCUMENT FILE BALANCES

Reverting appropriations are those appropriations that will revert on or before June 30. These appropriations can be identified on the SCO Agency Reconciliation Report as those with current end dates of June 30 or earlier. This includes Prior Year Revenue accounts. Appropriations reverting on or before June 30 cannot have outstanding receivable, payable or encumbrance documents. Beginning as early as January, departments should try to clear these documents. Receivable documents that will not be cleared by June 30 must be reclassified to GL 1319-Accounts Receivable–Other, offset by GL 1600-Provision for Deferred Receivables. Payable and encumbrance documents must be closed (or moved to another appropriation, as appropriate) by June 30.

CALSTARS provides two automated processes (CFY022-Document File Reclassification/Liquidation and CFY023-Revenue Reversal/Reclassification) to assist departments to identify, liquidate and/or reclassify documents within reverting appropriations. These two processes use the Appropriation Symbol (AS) Table Reversion Indicator and Reversion Date to determine which appropriations will revert on or before June 30. For the CFY022 process, the Reversion Indicator and the Reversion Date must be compatible. To use these automated processes for appropriations that will revert on or before June 30, the AS Table must be coded as follows by the end of March:

1. Set the Reversion Indicator to **1**.
2. Set the Reversion Date to June 30, 20**nn** (*nn*= current calendar year) or earlier.
3. The Active/Inactive Indicator must be **0**.

NOTE: To avoid the EA7-AP Date Not In Range error message, change the reversion date after the CFY022 process has completed for the Clearing Account and other appropriations, if needed, to 9/30/*nn* prior to running FM 12 cost allocation. The date does not need to be changed back to 6/30/*nn* prior to YEC/YEO for records to revert. During the YEC/YEO, the system looks at the Reversion Indicator to determine reverting appropriations.

CFY022-Document File Reclassification/Liquidation Process

The CFY022-Document File Reclassification/Liquidation Process generates transactions in reverting appropriations to:

- ✧ Reclassify valid Accounts Receivable-Abatements and Reimbursements to GL 1319-Accounts Receivable-Other.
- ✧ Liquidate encumbrances.

For appropriations properly identified as reverting, this report lists outstanding A/R-Abatements, A/R-Reimbursements and Encumbrances in the Document File that cannot be reclassified or liquidated due to exceptions. These items require department action. Refer to Exhibit I-6 for a listing of the error messages, the reason for the error condition and the recommended corrective action.

NOTE: The CFY022 process only reclassifies abatement and reimbursement receivables and liquidates encumbrances. However, if other documents are recorded against reverting appropriations they are also listed on the CFY022-1 Report with the message 'DOC MAY REQUIRE AGENCY ACTION'.

CFY022-3 CALSTARS DOCUMENT FILE RECLASSIFICATION/
LIQUIDATION PROCESS REPORT TRANSACTION RUN-
TRANSACTIONS GENERATED (Refer to Exhibit I-8)

For reverting appropriations, this report displays reversal and reclassification transactions generated for A/R-Abatements and A/R-Reimbursements as well as any encumbrance liquidations.

CFY022-4 CALSTARS DOCUMENT FILE RECLASSIFICATION/
LIQUIDATION PROCESS REPORT TRANSACTION RUN-
CONTROL REPORT (Refer to Exhibit I-9)

Displays a count of: Total records selected from the Document File; Document records with errors; Document records to be reclassified to A/R-Other or liquidated; Reversal transactions generated; Reclassification transactions generated; Liquidation transactions generated; Batch headers generated; and Total transactions generated.

EXHIBIT I-7

CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT REPORTS ONLY RUN (Run twice in April) Exception Report

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CFY022-1 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
                                CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT ORG PAGE: 1
04/07/11 (10.06) ***** RUN PAGE: 2
                                REPORT ONLY RUN-EXCEPTION REPORT
.....(SORT ORDER).....
APPN FFY FUND GLAN  DOC-NUM-SUF  VENDOR-NO-SUF  VENDOR-NAME  DOC-DT    LP-DT          AMOUNT  *----- MESSAGE -----*
      INDEX PCA      OBJ    SOURCE
000  08  0250 1400  JE-18155-00          580200      08-09-26 08-10-09      800,000.00 NO APPN SYM REC
000  08  0251 1400  JE-43976-00          580200      09-02-28 09-02-28      600,000.00 NO APPN SYM REC
000  08  0251 1400  JE-43976-00          580200      09-02-28 09-02-28      600,000.00 NO APPN SYM REC
806  08  0482 1311  INV00001-85 XXXXXXXXXX-00      09-06-30 09-07-22      21,450.00 INVALID SOURCE CODE
      0600 80840      125600

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Reclassification Report

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CFY022-2 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
                                CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT ORG PAGE: 1
04/07/11 (10.06) ***** RUN PAGE: 2
                                REPORT ONLY RUN-RECLASS/LIQUIDATION REPORT
.....(SORT ORDER).....
APPN FFY FUND GLAN  DOC-NUM-SUF  INDEX PCA      OBJ    SOURCE  VENDOR-NO-SUF  VENDOR-NAME  DOC-DT    LP-DT          AMOUNT
025  08  0014 1312  CSTI-413-00  1000  73560  201  991937  BDL0000027-00      09-02-21 09-02-28      40.00
025  08  0014 1400  CSTI-562-00  1000  73560      991937      08-09-10 08-09-21      300.00
091  06  0001 1500  FEDREIMB-01  1000  70845      995951      09-06-30 10-02-11     52,104.00
091  06  0001 1500  FEDREIMB-02  1000  70845      995951      09-06-30 10-02-11    634,274.00

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EXHIBIT I-8

CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT
TRANSACTIONS RUN (Run once in the first week of May)
Exception Report

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CFY022-1 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
                                CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT ORG PAGE: 1
05/03/11 (10.06) ***** RUN PAGE: 2
                                TRANSACTION RUN-EXCEPTION REPORT
.....(SORT ORDER).....
APPN FFY FUND GLAN  DOC-NUM-SUF  VENDOR-NO-SUF  VENDOR-NAME  DOC-DT    LP-DT          AMOUNT  *----- MESSAGE -----*
      INDEX PCA      OBJ    SOURCE
000  08  0250 1400   JE-18155-00                08-09-26 08-10-09      800,000.00 NO APPN SYM REC
                                580200
000  08  0251 1400   JE-43976-00                09-02-28 09-02-28      600,000.00 NO APPN SYM REC
                                580200
006  08  0482 1311   INV00001-85 XXXXXXXXXXXX-00  09-06-30 09-07-22      21,450.00 INVALID SOURCE CODE
      0600 80840      125600

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Transactions Generated Report

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CFY022-3 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
                                CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT ORG PAGE: 1
05/03/11 (10.06) ***** RUN PAGE: 2
                                TRANSACTION RUN-TRANSACTIONS GENERATED
.....(SORT ORDER).....
APPN FFY FUND GLAN  DOC-NUM-SUF  VENDOR-NO-SUF  VENDOR-NAME  DOC-DT    LP-DT          AMOUNT  *----- MESSAGE -----*
      TC  R   INDEX PCA      OBJ    SOURCE  A-SRC SUB-ACCOUNT  TRANS-AMOUNT
091  06  0001 1500   FEDREIMB-01                09-06-30 10-02-11      52,104.00 RECLASS TRANS GENERATED
      575      1000 70845      995951      15100000      52,104.00
      576                                52,104.00
091  06  0001 1500   FEDREIMB-02                09-06-30 10-02-11      634,274.00 RECLASS TRANS GENERATED
      575      1000 70845      995951      15100000      634,274.00
      576                                634,274.00

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EXHIBIT I-9

CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT
CONTROL REPORTS
Reports Only Run

CFY022-4 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT ORG PAGE: 33
04/07/11 (10.06) ***** RUN PAGE: 272
REPORT ONLY RUN-CONTROL REPORT

TOTAL DOCUMENT RECORDS SELECTED: 28
TOTAL RECORDS WITH ERRORS: 12
TOTAL RECORDS TO BE RECLASSIFIED/LIQUIDATED: 16

Transactions Run

CFY022-4 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT ORG PAGE: 30
05/03/11 (10.06) ***** RUN PAGE: 253
TRANSACTION RUN-CONTROL REPORT

TOTAL DOCUMENT RECORDS SELECTED: 25
TOTAL RECORDS WITH ERRORS: 10
TOTAL RECORDS TO BE RECLASSIFIED/LIQUIDATED: 15

REVERSAL TRANSACTIONS GENERATED: 7
RECLASS TRANSACTIONS GENERATED: 7
LIQUIDATION TRANSACTIONS GENERATED: 8
TOTAL BATCH HEADERS GENERATED: 1
TOTAL TRANSACTION GENERATED: 23

After CFY022 Process

After the automated reclassification is completed, departments must modify their cash receipt process for those reclassified documents until the end of the fiscal year. For example, if an accounts receivable abatement document is reclassified, the document now resides in GL 1319-Accounts Receivable Other, with the offset in GL 1600-Provision for Deferred Receivables. However, if collected and remitted before June 30, the cash receipt will still be treated as an abatement. The appropriate entries after the reclassification but before June 30 (providing that the SCO receives and records the remittance advice by June 30) are:

For Abatements:

TC 104-Record Cash Receipts as Expenditure Abatements (Not Billed)

Dr. 1110 General Cash

Cr. 9000 Expenditures

AND

TC 469-Liquidate Accounts Receivable-Other

Dr. 1600 Provision for Deferred Receivables

Cr. 1319 Accounts Receivable Other

NOTE: If recording TC 104 after May Cost Allocation/Fund Split, override transaction to the ultimate fund source.

For Reimbursements:

TC 102-Record Cash Receipts as Reimbursements (Not Billed)

Dr. 1110 General Cash

Cr. 8100 Reimbursements

AND

TC 469-Liquidate Accounts Receivable-Other

Dr. 1600 Provision for Deferred Receivables

Cr. 1319 Accounts Receivable Other

If the SCO receives and records the remittance advice **after** June 30, the collection must be recorded as Refunds To Reverted Appropriations. The appropriate entries with Source **570000** are:

For Abatements and Reimbursements:

TC 107-Record Cash Receipts as Refunds to Reverted Appropriations

Dr. 1110 General Cash

Cr. 9891 Refunds to Reverted Appropriations

AND

TC 469-Liquidate Accounts Receivable-Other

Dr. 1600 Provision for Deferred Receivables

Cr. 1319 Accounts Receivable Other

NOTE: Departments should not re-establish the original receivables.

CFY023-Revenue Reversal/Reclassification

The CFY023-Revenue Reversal/Reclassification Process generates transactions to reclassify any revenue accounts receivables documents in reverting appropriations to GL 1319-Accounts Receivable-Other. The SCO accounts for revenue in the Current Year and **one** Prior Year for all **non-federal** funds. Accordingly, reclass transactions are generated for all outstanding revenue accounts receivable documents in **non-federal** Prior Year Revenue accounts on June 30. Only Current Year Revenue accounts may have accounts receivable balances except in federal funds.

Federal Fund Revenue accounts revert after five years in accordance with the Budget Act. The CFY023 – Revenue Reversal/Reclassification Process generates transactions to reclassify any Federal Fund Revenue accounts receivable documents in the reverting year to GL 1319. For example, outstanding FY 2006-07 Federal Accounts Receivable documents are reclassified to GL 1319 on June 30, 2011.

Exhibit I-10 lists the records selected by the CFY023 process and shows the decisions and resulting outputs. These outputs include:

- ✧ Transactions generated to reclassify Accounts Receivable-Revenue (creates the reverting appropriation portion of the A-9 year-end adjusting entries).
- ✧ Messages printed on the CFY023-1 Exception Report for review and possible action by the department. Refer to Exhibit I-6 for a listing of the error messages, the reason for the error condition and the recommended corrective action.

Lists A/R-Revenue documents in the Document File for reverting appropriations that have exceptions requiring department action. These documents are **not** reclassified. Refer to Exhibit I-6 for a listing of the error messages, the reason for the error condition and the recommended corrective action.

**CFY023-3 CALSTARS REVENUE REVERSAL/RECLASSIFICATION
PROCESS REPORT-TRANSACTION RUN-TRANSACTIONS
GENERATED (Refer to Exhibit I-12)**

Displays both the reversal and reclassification transactions generated for each applicable A/R-Revenue record.

**CFY023-4 CALSTARS REVENUE REVERSAL/RECLASSIFICATION
PROCESS REPORT-TRANSACTION RUN-CONTROL REPORT
(Refer to Exhibit I-13)**

Displays a count of: Total revenue records in the Document File; Document records not to be reclassified; Document records with errors; Document records to be reclassified to A/R-Other; Reversal transactions generated; Reclassification transactions generated; Batch headers generated; and Total transactions generated.

All data on these reports are sorted by Appropriation Symbol, FFY, and Document Number/Suffix. The Vendor information area on the reports displays the Vendor Number, if available, or the Vendor Name. The field is blank if there is no Vendor information.

NOTE: The CFY023 process does not generate null reports for departments that do not have A/R Revenues in the Document File.

After CFY023 Process

When the receivable is subsequently collected, the A/R-Other must be liquidated and the cash received recorded as revenue in the prior fiscal year. The transactions are:

TC 469-Liquidate Accounts Receivable Other (use original FFY)
Dr. 1600 Provision for Deferred Receivables
Cr. 1319 Accounts Receivable Other

AND

TC 101-Record cash receipts as revenue-not billed (use prior FFY)
Dr. 1110 General Cash
Cr. 8000 Revenue/Operating Revenue

NOTE: Revenue receipts are always posted to Current Year or Prior Year Revenue. They are never posted to Refunds To Reverted Appropriations.

EXHIBIT I-11

CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT
 REPORTS ONLY RUN- Late May and early June
Exception Report

CFY023-1 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
 CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1
 05/20/11 (16.23) ***** RUN PAGE: 1
 REPORT ONLY RUN-EXCEPTION REPORT

APPN	FFY	DOC-NO/SUF	DOC-DT	LP-DT	AMOUNT	MESSAGE	
FUND FS	FD	MD	GLAN	INDEX PCA	SOURCE	SUBSID	VENDOR INFO
980	09	90000181-00	090729	101030	310,116.13	BAD EFF-END-DTE / REVR-IND COMB	
0029	S	1 1313	9999	75029	125660	11111111-00	
980	09	90000182-00	091031	101008	75,000.00	BAD EFF-END-DTE / REVR-IND COMB	
0029	S	1 1313	9999	75029	125600	ABC INC.	
980	09	90000183-00	091031	101008	500.00	BAD EFF-END-DTE / REVR-IND COMB	
0029	S	1 1313	9999	75029	125600		

Reclassification Report

CFY023-2 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
 CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1
 05/20/11 (16.23) ***** RUN PAGE: 1
 REPORT ONLY RUN-RECLASS REPORT

APPN	FFY	DOC-NO/SUF	DOC-DT	LP-DT	GLAN	FUND FS	FD	MD	INDX	PCA	SOURCE	ASRC	SUBSID	VENDOR INFO	RECLASS	AMOUNT
980	09	90000180-00	090903	091029	1313	0029	S	00	1	9999	75029	125600		111111111-00		500.00
980	09	90000184-00	091102	100131	1313	0029	S	00	1	9999	75030	125600		ABC INC.		500.00
980	06	90000184-01	061103	070201	1500	0890	F	00	1	9999	75031	410054	15100000	DEPT OF AIR		500.00
980	06	90000184-01	061209	070309	1500	0890	F	00	1	9999	75039	410054	15100000	DEPT OF AIR		1,000.00

EXHIBIT I-12

CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT
TRANSACTION RUN-June 30
Exception Report

CFY023-1 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1
06/30/11 (16.23) ***** RUN PAGE: 1
TRANSACTION RUN-EXCEPTION REPORT

APPN	FFY	DOC-NO/SUF	DOC-DT	LP-DT	AMOUNT	MESSAGE
FUND FS	FD MD GLAN	INDEX	PCA	SOURCE	SUBSID	VENDOR INFO
980 09	90000181-00	090729	101030		310,116.13	BAD EFF-END-DTE / REVR-IND COMB
0029 S	1 1313	9999	75029	125660		11111111-00
980 09	90000182-00	091031	101008		75,000.00	BAD EFF-END-DTE / REVR-IND COMB
0029 S	1 1313	9999	75029	125600		ABC INC.
980 09	90000183-00	091031	101008		500.00	BAD EFF-END-DTE / REVR-IND COMB
0029 S	1 1313	9999	75029	125600		

Reclassification Report

CFY023-3 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1
06/30/11 (16.23) ***** RUN PAGE: 1
TRANSACTION RUN-TRANSACTIONS GENERATED

APPN	FFY	REF/CUR	DOC/SF	DOC-DT	LP-DT	TC	R	GLAN	FUND FS	FD MD	INDX	PCA	SOURCE AS	SUBSID	VENDOR INFO	AMOUNT
980 09	90000180-00	090903	100303	461	1313							9999 75029	125600		11111111-00	500.00
09	90000180-00	110630		576	1319	0029	S	00					125600		11111111-00	500.00
09	90000184-00	091102	100131	461	1313							9999 75030	125600		ABC INC.	500.00
09	90000184-00	110630		576	1319	0029	S	00					125600		ABC INC.	500.00
06	90000184-01	061103	070201	457	1500							9999 75031	410054	15100000	DEPT OF AIR	500.00
06	90000184-01	110630		576	1319	0890	F	00					410054		DEPT OF AIR	500.00

EXHIBIT I-13

CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT
CONTROL REPORTS

Reports Only Run

CFY023-4 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1
05/20/11 (16.23) ***** RUN PAGE: 1
REPORT ONLY RUN-CONTROL REPORT

TOTAL REVENUE DOCUMENT RECORDS:	10
DOCUMENT RECORDS NOT TO BE RECLASSIFIED:	4
DOCUMENT RECORDS WITH ERRORS:	3
DOCUMENT RECORDS TO BE RECLASSIFIED:	3

Transaction Run

CFY023-4 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1
06/30/11 (16.23) ***** RUN PAGE: 1
TRANSACTION RUN-CONTROL REPORT

TOTAL REVENUE DOCUMENT RECORDS:	10
DOCUMENT RECORDS NOT TO BE RECLASSIFIED:	4
DOCUMENT RECORDS WITH ERRORS:	3
DOCUMENT RECORDS TO BE RECLASSIFIED:	3
REVERSAL TRANSACTIONS GENERATED:	3
RECLASS TRANSACTIONS GENERATED:	3
TOTAL BATCH HEADERS GENERATED:	1
TOTAL TRANSACTIONS GENERATED:	7

When establishing documents containing subsidiaries, enter a unique Current Document Number or Suffix when the subsidiary changes. If the same Current Document Number or Suffix is used for multiple entries, the entries overlay each other and the document will display the data from the last entry. This makes it difficult to trace and audit entries and causes the general ledger subsidiary balances to be out-of-balance with the document file subsidiaries.

General ledger subsidiary balances must reconcile to document file subsidiaries. The subsidiary balances on the G02-Subsidiaries on File and the S01 Reports must agree. Compare the G02 or the S01 Reports to the document file subsidiary totals on the D09 or D10 Reports. All subsidiary differences between the reports must be corrected. Any differences between the subsidiary balances will appear on the Fund Level Accruals page of the DB3 Report, SCO/CALSTARS Automated Year-End. Although no error messages are associated with this out-of-balance condition, these subsidiaries should not appear on the Fund Level Accruals page. Refer to Chapter IV-B, Exhibit IV-B-9, for an example of the Fund Level Accruals page displaying out-of-balance subsidiaries.

REVIEW OTHER AREAS

Uncleared Collections (General Ledger Account 3730)

Review Uncleared Collection balances to determine if outstanding amounts are identifiable. If the receipt can be identified, reverse the original posting to GL 3730 with TC 170. Then post the receipt to the appropriate account or issue a General Cash refund. See Volume 1, Chapter XVI-A, *Uncleared Collections* for more information.

Unscheduled Reimbursements (General Ledger Account 8100)

Review the HB4 and DB2 Reports to ensure cash was not remitted to the SCO as Unscheduled Reimbursement.

Advance Collections (General Ledger Account 3400)

Review Advance Collections to determine if there are amounts that should be recognized as earned Revenue and/or Reimbursements in the current fiscal year. If so, prepare the appropriate transaction(s) to debit Advance Collections and credit the appropriate Revenue and/or Reimbursement or account. If the Advance Collection has already been remitted to the SCO, prepare a Transaction Request (Form CA 504) to reclassify the Advance Collection to Revenue or Reimbursements on the Controller's records. See Volume 1, Chapter XVI-E, *Advance Collections* for more information.

Prepayments (General Ledger Accounts 1730, 1740 and 1750)

Review prepayments for each GL account above to determine if any of the balance has been expended by the entity that received the prepayment. If necessary, prepare the transaction(s) to reduce the prepayment accounts to the remaining unexpended balance.

Payroll Clearing Account (General Ledger Account 6201)*

Verify that GL 6201-Payroll Clearing Account has a zero balance for each fund on the month-end G01 Report. If balances appear, review previous month-end G01 Reports to determine when the condition began. Balances remaining in GL 6201 can result from deleting error file entries generated from the labor subsystem, manual postings to TC 371, and PCAs with different disbursing fund segments on the Employee Master (EM) or Timesheet (TS) Table. In addition, offsetting balances in GL 6201 between two different funds can result from PCAs not coded to the Labor Distribution Control (LC) Table Override screen 3 of the EM Table when payroll is paid from two or more appropriations. Contact The CALSTARS Hotline for assistance.

Plan of Financial Adjustment (PFA) (General Ledger Account 6297)*

The amount of the Plan of Financial Adjustment Pending (the difference between "Net Cost Allocation" and "SCO PFA Posted" on the B04 Report) is shown on the DB1 Report and carried on the SCO reconciliation for each account. All PFA Pending amounts on a fund's SCO reconciliations must equal the balance of GL 6297-Allocation Clearing Account on the G01 Report.

If a department either adjusted the PFA Worksheet before sending the PFA to the SCO or sent an estimated PFA to the SCO, the differences between the CALSTARS PFA Worksheet and the PFA sent to the SCO must be identified. Make any necessary adjustments on the May PFA Transfer Letter. Any remaining differences will be included as accruals on the Accrual Worksheet.

The GL 6297-Allocation Clearing Account should be analyzed to ensure that any pending PFAs for reverting appropriations are submitted **before** the SCO due date (about June 15).

NOTE: Any documents for reverting appropriations must be cleared in the month of May to be included in the May PFA.

Documents for reverting appropriations cleared after the May fund split must be directly charged to the ultimate fund. This may be done successfully by following these two steps:

1. Change the PCA Table distribution segment for the appropriate PCA to 100% for one ultimate fund (change the percentage for any other fund present to 0%).

2. When entering the transaction, override the disbursing fund segment so it is identical to the distribution segment (AS, Fund, FS, Method).

*Note: General Ledgers 1115, 3021, 6201 & 6297 are not valid reporting general ledgers. The balance in these general ledgers should be zero at year end.

Capital Assets (Fund 0997)

Capital assets purchased from governmental funds should be accounted for in Fund 0997 using Fund Detail. GL 2341-Equipment must reconcile to the capitalized equipment in the detailed property inventory records. Amounts recorded in GL 2310-Land, GL 2321-Buildings, GL 2331-Improvements Other Than Buildings and any other GLs for capital assets must reconcile to the detailed property inventory records. Refer to SAM Section 8600 for property accounting procedures.

Departments must identify the fund that financed each capital asset. Fund Detail (defined in the D23 Fund Detail Descriptor Table) is used for this purpose. Even if a department has used only one fund for capital assets, fund detail must be used with all Fund 0997 transactions; e.g., 0997.01-General Fund, 0997.02-Federal Trust Fund, etc.

SWCAP and Pro Rata Charges

Verify that all Pro Rata and SWCAP charges have been correctly charged to the program/fund for which they were intended. Special funds are assessed Pro Rata to cover their share of the costs of state government. The federal government permits the state to recover a fair share of the state central services for those programs that are partially or wholly funded with federal funds. Pro Rata is only charged to the special funds. SWCAP is ONLY charged to federal funds.

Departments that have Pro Rata or SWCAP charges should request a Q10 Report with the following level of detail:

I = **0**
P = **0**
O = Level **3** or **4**
F = **1**

Verify each fund for Object Details **438** and **439**. Object Detail **438** should only be in special funds. Object Detail **439** should only be used in federal funds. Departments with these Object Details in any other fund should contact their CALSTARS Analyst or the Hotline for assistance.

General Review of Reports

Department personnel who are knowledgeable of the various reports should review those reports for reasonableness. For example, the G01 Report should be reviewed to see if any general ledger accounts have abnormal balances. In non-shared funds, the GL 1140-Cash in State Treasury on the SCO Fund Reconciliation Report must agree with CALSTARS GL 1140-Cash in State Treasury for that fund. The Q25 Report should be reviewed to verify that the receipt codes are used correctly. The Clearing Account Expenditures on the month-end B04 Report should be zero.

ESTABLISH NEW YEAR TABLES

Before departments determine the table structure for the next fiscal year, several areas must be reviewed. Staff responsible for this review should ask the following questions:

- ✧ Are the CALSTARS reports meeting management's needs? If not, why?
- ✧ Has the organization structure changed or will it change on July 1? If it is changing, have new Index Codes been selected?
- ✧ Are the agency object codes meeting the department's needs? If not, how should they be changed?
- ✧ Does the Appropriation Symbol (AS) Table accurately reflect the Budget Act and special legislation appropriations? Do the appropriation symbols agree with the SCO account structure? Is the SCO Account information in the AS Tables?
- ✧ Are there changes to the program structure effective July 1 as reflected in the Governor's Budget? Is the Legislature likely to take any action during their deliberations that will change the program or organization structure?
- ✧ Are the PCAs established to at least the level of the Governor's budget?
- ✧ Is the cost reporting system, if applicable, appropriate to the department?
- ✧ Does the Cost Allocation (CA) Table reflect the CA Plan? Is the CA methodology changing for the next fiscal year?
- ✧ Is the method of Labor Distribution appropriate?

All of these areas should be carefully reviewed before generating or establishing tables for the next fiscal year. To be successful, each department should have their review completed and the tables established prior to the heavy year-end period. The review should begin as early as March and be completed by June 1. All tables should be keyed or generated, reviewed and ready to accept new year transactions by July 1. Table listings can be ordered from the table's entry screen, list screen, and Command **I.80** – FFY Maintenance screen. Where applicable, a fiscal year may be specified.

Organization Control (OC) Table Maintenance

A new year Organization Control Table record must be established before June 30. This new year OC Table record controls all system processing after July 1 except for edit overrides. The number of step downs on the new year OC Table record must be equal to the maximum number of step downs for any available year regardless of the number of step downs in the current year.

Prior fiscal year transactions are always processed using the OC Table error severity segment corresponding to the Funding Fiscal Year (FFY) of the transaction. All other system activity is processed using the new fiscal year OC Table record.

The new year OC Table entry must be entered before any other new year tables are created. Prior to establishing the new year OC Table, review CPM, Volume 2, Chapter IV-OC, Organization Control Table. The fund control severity indicators in the new year OC Table should be reviewed and changed if necessary. For instance, appropriation and budget controls may need to be set to **W** or **I** until the new year appropriations have been loaded.

The OC Table may be entered from a blank screen or by viewing, then adding, the new table after changing some fields. It cannot be generated. To use the VIEW-ADD technique, view the current table by entering the current FFY and pressing **F5**.

Key **A** for the Function.

Then key over the fields shown here that need to be changed and press **Enter**:

RUN LABOR Indicator: N
RUN COST Indicator: N
LAST STEP Run Indicator: 00
BR-1 POSTED Indicator: N
PY SCH10 TRANS: N
RUN YEC Indicator: Blank
PY OPEN Indicator: Y

Generate (G) Function

Departments are not required to enter all of their new fiscal year tables from input forms. New fiscal year tables can be produced using Function **G** (G=Generate) on the **I.80** – FFY Maintenance screen. The **G**enerate function is an overnight process.

Generated table transactions go through the same relational edits as **Add** transactions. The records post and any error messages are printed only on the day table maintenance activity was done. For the AS, CA, IC, and PCA Tables, the table edits that are fatal for **Add** transactions are also fatal for the **G**enerate transactions.

The following tables must be generated in the following order:

- ✧ Appropriation Symbol (AS)
- ✧ Index Code (IC)
- ✧ Program Cost Account (PCA)
- ✧ Cost Allocation (CA)
- ✧ DGS Services Table
- ✧ DGS Invoice Allocation Table
- ✧ Employee Master (EM) (after the Labor Distribution Control (LC) Table is entered).

All generated tables should be reviewed. Changes or deletions should be made immediately. The new FFY tables may require updating to reflect changes between the new FFY and prior fiscal year. For example, the **Generate** function copies table records from one year to the next and increases the FFY by one during overnight processing. This function is only available through the FFY maintenance screen.

To **Generate** FFY records, key **G** in the F action column to the left of the desired table. Key the appropriate Year 1 FFY in the FFY field to create Year 2 FFY records as displayed in the following example:

Key the existing FFY: (Year 1) in the FFY field	To Generate records for: (Year 2)
2010	2011

When **Enter** is pressed, a confirmation message is displayed at the bottom of the screen. Use **F2** to return to the previous screen.

The **Generate** function may be run more than once for the same fiscal year to add new Year 1 records to Year 2. For example, using the **Generate** function a second time may be quicker than manually adding the new Year 1 records to Year 2 records **after** Year 1 records were generated. The **Generate** function does not update or replace table records previously **Added** or **Generated**, so records are not duplicated. However, if a Year 1 record is deleted from Year 2 and the **Generate** function is run a second time, the deleted Year 1 records will be added back to Year 2.

In addition, if allotments were used in the prior year, but their use is being discontinued in the current year, the allotment file indicators in the AS, IC and PCA Tables must be changed in the new FFY Tables. Request a table listing for the new FFY by entering Function **P** and the new FFY.

Refer to CPM, Volume 2 for additional information regarding the **Generate** function for the AS, CA, EM, IC and PCA Tables. For additional information regarding the **Generate** function for the DGS Tables, refer to CPM, Volume 1, Chapter XXI-2, Automated Payables – Department of General Services.

Delete (X) Function

Departments can also delete all of the table entries by FFY for any of the above tables. To use the Delete function, enter Function **X** (**X=DEL FFY**) and the FFY of the year to be deleted on Command **I.80** – FFY Maintenance screen. The **Delete** Function is an overnight process. When Function **X** is used, a separate table maintenance activity report, CSB9n0-3, is produced displaying all the table records that were deleted. Function **X** cannot be used for the current, prior or prior-prior fiscal years.

NOTE: Do not delete table records that may be needed to liquidate documents.

Refer to CPM, Volume 2 for additional information regarding the Function **X** for the AS, CA, EM, IC and PCA Tables. For additional information regarding the **Delete** function for the DGS Tables, refer to CPM Volume 1, Chapter XXI-2, Automated Payables – Department of General Services.

Active/Inactive Indicator

Most tables have an Active/Inactive indicator. When the indicator is set to Active **0**, posting is allowed. When the indicator is set to Inactive **1**, an error message shows that the table has been identified as Inactive and the posting is treated accordingly. Inactive table entries are generated into the new year with the same Indicator **0** or **1** as the existing tables(s).

Appropriation Symbol (AS) Table Maintenance

Refer to CPM, Volume 2, Chapter IV-AS, Appropriation Symbol Table, for detailed information regarding the AS Table.

Account Types

The Account Type identifies the account type on the SCO Agency Reconciliation Report. Refer to CPM, Volume 2, Chapter IV-AS, Appropriation Symbol Table for a complete listing of the Account Types.

NOTE: The Office Revolving Fund Advance must be established in the advancing fund using Account Type **97**.

Dates

A careful review of dates should be done for existing and generated records. The AS Table dates are in the *MMDDYYYY* format, with *YYYY* being any valid year between 1900 and 2099. For appropriations without regard to year, the ENCUMBRANCE AVAILABILITY DATE and the REVERSION DATE should be set to 99/99/9999.

Reimbursements

The B06 Report, Final Budget Report, can display more than one line of reimbursements when listed in the Budget Act. An AS should be established for each separate appropriated reimbursement line in the Budget Act. **Departments with only one appropriated reimbursement line should have only one Appropriation Symbol.** To segregate reimbursements properly by program on the Q25 Report, use more than one PCA.

Revenue

All departments should use Reference **980** for revenue accounts unless the SCO uses a different Reference on their Agency Reconciliation Report. Reference **980** will not print on the HB4, DB1, or D16 Reports.

Departments must establish a separate AS in each fund receiving revenue in order to successfully use the automated reconciliation reports (DB2 and H02) and to participate in the Automated Year-End Reporting process.

Reversion Indicator

The Reversion Indicator for each AS should be reviewed to ensure accuracy. The Reversion Indicator values are:

- 0-Reversion does not apply
- 1-Reversion applies
- 2-Continuing appropriation
- 9-Continuing appropriation-Statutory

The year-end processing related to these reversion indicators is discussed in Chapter VI, Year-end Closing – YEC and YEO Processes (Exhibits VI-8 through VI-11).

CALSTARS uses the Reversion Indicator for the following major processes during the YEC process:

Reverting Appropriations

CALSTARS provides two automated processes (CFY022-Document File Reclassification/Liquidation and CFY023-Revenue Reversal/Reclassification) to assist departments to identify, liquidate and/or reclassify documents within reverting appropriations. These two processes use the Reversion Indicator and Reversion Date to determine which appropriations will revert on or before June 30. To use these automated processes for appropriations that will revert on or before June 30, the AS Table must be coded as follows by the end of March:

1. Set the Reversion Indicator to **1**.
2. Set the Reversion Date to June 30, 20**nn** (*nn*= current calendar year) or earlier.

Continuing Appropriations

Continuing appropriations generally include two different types of appropriations. The first type includes appropriations that continue encumbrance and expenditure availability beyond the first year of availability (e.g., Capital Outlay). The second type generally includes Statutory appropriations that continue from year to year.

All encumbrances, including encumbrances of continuing appropriations, are reported as expenditures at year-end. For ease of accounting, CALSTARS moves encumbrances of continuing appropriations to the current FFY. Encumbrances for continuing appropriations are automatically moved to the new FFY during the YEC process.

WARNING: All encumbrances for continuing appropriations (Reversion Indicator **2** or **9**) are automatically moved to the new FFY during the YEC process. If the department does not want to automatically move these encumbrances to the new FFY, the Reversion Indicator must be changed to **0** prior to running the YEC process (OC Table RUN YEC = **C**).

Exhibit I-15 displays two examples of continuing appropriations with the appropriate year-end treatment of unencumbered balances and unliquidated encumbrances.

Generate

Various factors impact the generated table maintenance (Function **G**) for the AS Table. AS Table records are generated according to the following table.

AS Table Generate Function Logic Table			
AS Table Record Value:			Result
Reversion Ind.	Start Date within the fiscal year (7-1-YYYY through 6-30-YYYY) of the 'Generate' maintenance transaction FFY?	Account Type is 00, 85, 90, 91, 92, 95, 96, 97, 98, CA or RR?	
0	Yes	Yes	Generate function creates new record with: The Enactment Year and the SCO Account Enactment Year is set to the current AS Table FFY + 1. The Chapter and the SCO Account Chapter is set to BAYYYY (where YYYY is the new 4-digit FFY) ^{1/} . The Start Date, Encumbrance Availability Date and the Reversion Date are incremented by one year (+1).
		No	Generate function generates new FFY record with no changes to information.
	No	Yes	Generate function generates new FFY record with no changes to information.
		No	Generate function generates new FFY record with no changes to information.
1			No new record generated.
2 or 9			Generate function generates new FFY record with no changes to information.

^{1/} When the Budget Act is signed and Chaptered, an automated process is run to replace "BAYyyy" with the actual Chapter citation. A CALSTARS News item is issued to explain this process before it happens.

EXHIBIT I-15

YEAR END TREATMENT OF UNENCUMBERED BALANCES AND UNLIQUIDATED ENCUMBRANCES
FOR CONTINUING APPROPRIATIONS

SITUATION: A typical five-year appropriation where the first three years are available for encumbrances and expenditures and the final two years are available for liquidating encumbrances only.

ENACTMENT YEAR	FFY	A/S TABLE REVERSION INDICATOR	PCA TABLE APPROPRIATION METHOD	YEAR-END TREATMENT OF UNLIQUIDATED ENCUMBRANCES AND UNENCUMBERED BALANCES ^{1/}	NEW TABLES MUST BE IN PLACE BEFORE BRINGING ENCUMBRANCES FORWARD
07	07	2	1 or 5	Carry forward to FFY 08	Requires New Year tables ^{2/}
07	08	2	4	Carry forward to FFY 09	Requires New Year tables ^{2/}
07	09	0	4	Stays in FFY 09	
07	10	No new tables are established	Does not apply		
07	11	Reversion Indicator in FY 07, 08 and 09 is set to '1'	All balances revert. (Except those that support real GLs, i.e., Prepayments and Cost Allocation when Net Allocation ≠ SCO PFA Posted)		

SITUATION: A typical Statutory appropriation, which continues availability from year to year.

ENACTMENT YEAR	FFY	A/S TABLE REVERSION INDICATOR	PCA TABLE APPROPRIATION METHOD	YEAR-END TREATMENT OF UNLIQUIDATED ENCUMBRANCES AND UNENCUMBERED BALANCES ^{1/}	NEW TABLES MUST BE IN PLACE BEFORE BRINGING ENCUMBRANCES FORWARD
10	10	9	5	Carry forward to FFY 11	Requires New Year tables every year ^{2/}
10	11	9	2	Carry forward to FFY 12	Requires New Year tables every year ^{2/}
Subsequent years are treated the same as the second year, with the FFY incremented by +1 each year.					

^{1/} Year-end processing related to continuing appropriations is discussed in the *Appropriation File Carry Forward*, *Allotment File Carry Forward*, and *Document File Carry Forward* sections of Chapter VI.

^{2/} Appropriation Symbol, PCA, Index, and other tables as appropriate.

Special Deposit Fund

At least one Appropriation Symbol and one PCA may be established for each expenditure Special Deposit Fund account. A separate Fund Detail must be established for each account within the Special Deposit Fund (0942). Each PCA should look up the appropriate fund detail to ensure transactions are posted to the correct fund detail as defined in the D23 Fund Detail Descriptor Table.

If an account in the Special Deposit Fund does not fund expenditures for a program activity, then the CFIS Program Level Indicator in the PCA Table should be coded with a **0** (No program identification). Examples of these accounts are Unclaimed Trust Money, Tax Sheltered Annuities and Vacation Trust Account.

Reconcile these accounts by comparing the SCO balance to GL 3500-Liabilities for Deposits at the Fund Detail level. Transactions in these accounts must never post to nominal accounts.

If an account in the Special Deposit Fund does fund expenditures in real program activities, the PCA and Appropriation Symbol must look up real programs. The CFIS Program Level Indicator in the PCA Table should be coded with a **1, 2, 3 or 4** (program, element, component or task). The balance in GL 1140-Cash in State Treasury at the Fund Detail level is used to reconcile to SCO. Transactions in these accounts should be recorded in nominal accounts and never recorded in GL 3500-Liabilities for Deposits.

Each Fund Detail established must be supported by a D23 Fund Detail Descriptor Table entry with the correct indicators.

Budget Sequence (BS) Table Maintenance

A Budget Sequence Table record **001** must be established for each unique Budget Act item (Organization-Reference-Fund) anticipated in the new fiscal year before posting any budget transactions if the OC BUD SEQ Indicator is **Y**. These table entries cannot be generated. For continuing appropriations (AS Table Reversion Indicators **2** and **9**), the BudSeq **001** records must be established prior to running YEC to accommodate the automatic Appropriation File Carry Forward process.

NOTE: Do not establish BS Table records if the OC BUD SEQ Indicator is **N**.

Index Code (IC) Table Maintenance

Any changes to the organization structure must be considered before creating the new year IC Tables. New year tables produced using Function **G** must be reviewed.

Departments maintaining appropriations or general ledger by Section must establish alpha-numeric Index Codes in their IC Table by FFY prior to the YEC process.

These Index Codes are used to:

- ✧ Carry forward appropriations into the new year if appropriations are maintained by Section.
- ✧ Carry forward real account general ledger account balances into the new year if general ledgers are maintained by Section.

The carry forward of balances of both the appropriation and general ledger files is performed through the system generation of accounting transactions. If appropriations are maintained by Section, an Index Code for each FFY must be in the new year IC Table. Similarly, if general ledgers are maintained by Section, an Index Code for current FFY must also be present. Transactions generated from the YEC process use an Index Code with the first two digits being "XX" and the second two digits equaling the Section.

Program Cost Account (PCA) Table Maintenance

Changes to the existing program structure must be considered before creating the new year PCA Tables. New year tables produced using Function **G** must be reviewed. If your department uses the PCA Table to look up Projects, a review must be done to ensure the Work Phases are appropriate for the new year.

Continuing Appropriations

When encumbrances for continuing appropriations are moved to the new FFY during the YEC process, the PCA Table Appropriation Method from the new FFY is used to determine the Appropriation Method in the new year Document File record. Departments should review PCAs for continuing appropriations in the new FFY prior to running the YEC process.

Cost Allocation (CA) Table Maintenance

Changes to the existing program structure or cost allocation methodology based on a revised Cost Allocation Plan in the new year must be considered before creating the new year CA Tables. New year tables produced using Function **G** must be reviewed.

NOTE: The new year OC Table must be established before CA Table records can be added or generated, and before any process can be run after June 30.

Automated Payables – Department of General Services (DGS) Tables Maintenance

The DGS Automated Payables Subsystem requires creating New Year tables for the following:

- ✧ DGS Services Table – The statewide DGS Services Table, the Object Detail Table (D11), and the Agency Object Table (D12), if used, must be established before creating the DGS Services Table. New year tables

produced using Function **G** must be reviewed. Add any anticipated new services from DGS in the new FFY before creating automated transactions in the new fiscal year.

- ⚙ DGS Invoice Allocation Table – Any changes in the new FFY to the existing program or organizational structure should be considered before creating the New Year table. Indexes, PCAs, and DGS Service Types from the DGS Services Table, if used, must be established before creating this table. New year tables produced using Function **G** must be reviewed.

Labor Distribution Control (LC) and Employee Master File (EM) Table Maintenance

Changes to the program structure or organization structure need to be considered before creating the new year labor tables. The new year LC Table must be established prior to generating the Employee Master (EM) Table. The LC Table cannot be generated; however, the EM Table can be generated using Function **G** on the **I.80** – FFY Maintenance screen. New year tables produced using Function **G** must be reviewed.

NOTE: The IC, PCA and D12-Agency Object Descriptor Tables must be established prior to creating any labor tables.

Project Control (PC) Table Maintenance

The PC Table is not controlled by FFY, therefore, the generate function is not available. The PC Table is most commonly used to identify and track federal grants but may also be used for Office of the State Architect (OSA) advances, capital outlay projects and department contracts or special projects.

Each department anticipating federal funds during any fiscal year must have a Project Number/Work Phase record on file (**FEDFPN/99**). When generating transactions in the year-end carry forward process, CALSTARS looks for a Project Number/Work Phase in each transaction that includes federal funding (Federal Trust Fund or other federal fund). If the transaction does **not** contain a Project Number/Work Phase and the fund is identified as federal per the D22 Statewide Fund Descriptor Table, CALSTARS inserts **FEDFPN/99** as the Project Number/Work Phase. This Project Number/Work Phase is used to bypass some of the batch edits. It prevents EA5 and EA6 errors during batch editing and does not post to any CALSTARS files.

Dates

Carefully review the dates on existing records. The PC Table dates are in the *MMDDYYYY* format. For projects which do not have a specific end date, the END DATE should be set to 12/31/2099 (the furthest date into the future that is currently allowed).

Grant Project File Purge

The PC Table entries control the relation of the Grant Project File records. A Grant Project File record may be purged by deleting the PC Table entry. The Grant Project File record remains available until the YEC process is invoked. During this process, Grant Project File records without corresponding PC Table entries are purged.

Vendor Edit (VE) Table Maintenance

The VE Table requires no specific maintenance; however, special purpose Vendor Numbers (**AAAAAAAAAA-nn**) should be verified either through a current table listing or the online VE Table. Special purpose Vendor Numbers contain the name and title used on the CALSTARS year-end reports and the distribution information on report flag sheets.

Year-end Report Name and Title

Standard CALSTARS reports used as year-end financial reports carry the required certification statements. Within the certification, the Accounting Officer's name and title appear if the following VE Table entry is present:

Vendor Number:	AAAAAAAAAA-10
Vendor Name:	Accounting Officer Name
Address Line 1:	Accounting Officer Title
City:	The city that should appear on the certification.

Report Distribution Flag Sheets

Reports with a report destination of **L1** (Laser printer) and **M1** (microfiche) are routed through the CALSTARS office in Sacramento. The CALSTARS Production Control data guidance staff separates and packages reports for delivery or mailing. A Flag Sheet is used for the delivery or mailing label. Departments update flag sheet changes by changing the information in Vendor Number **AAAAAAAAAA-90**. When updating, it is important to follow the format exactly as shown here:

Vendor Number:	AAAAAAAAAA-90
Vendor Name:	Office Name, i.e., Accounting Office
Address Line 1:	Department, Board or Commission Name
Address Line 2:	Delivery or mailing address
Address Line 3:	(If needed)
City:	City
State and ZIP Code:	State and ZIP Code
Contact Name:	Person to receive reports (If reports are mailed, enter "US MAIL" in this space)
Phone:	Contact Person's Area Code and Phone Number

NEW YEAR PAYMENTS AGAINST CONTINUING APPROPRIATIONS PRIOR TO YEC

At year-end all encumbrances, including encumbrances for continuing appropriations, are reported as expenditures in the FFY in which they are encumbered. For ease of accounting purposes, CALSTARS rolls encumbrances of continuing appropriations to the new FFY during the YEC process. This presents a problem for payments made beginning July 1 through the date that YEC is run. To resolve the problem during this period, departments should disencumber the amount of the payment against the existing document in the prior FFY using TC 210. The payment should then be recorded against the new FFY using TC 231 or 240, as appropriate. Both the liquidation and payment transactions should be recorded in the current fiscal month (FM 01, FM 02, etc.). When the balance of the encumbrance is carried forward to the new FFY by the YEC process, only the net amount of the encumbrance is carried forward. This allows all payments to be recorded against the new FFY.